



connections

The Foundation's Mission

To strengthen the free enterprise system by investing in organizations and institutions that foster the entrepreneurial spirit.

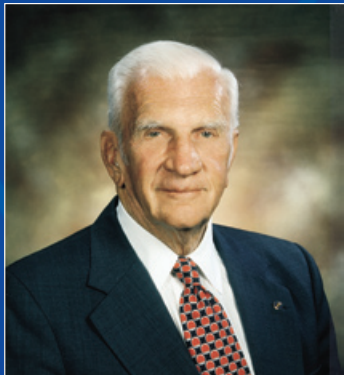
The Intent of the Donor

The purpose of the Foundation is “the preservation of the free enterprise system...to help preserve what we have in this country.”

—Burton D. Morgan, August 29, 1994

“The Foundation’s...aim is to preserve the private enterprise system, which is America’s number one advantage over the rest of the world.”

—Excerpt from *My Life...So Far* by Burton D. Morgan, 2003



Burton D. Morgan, 1916-2003

For Burt Morgan, life was about connections. It was about reaching out to help others and being helped. Early in his career, Mr. Morgan sought investors to help him start his own businesses. He found that help from other industrialists. Avery Adhesives of California provided financial support for his first business, an adhesive paper company in Painesville that became known as Fasson. The Bemis Bag Company later helped him found the Morgan Adhesives Co. (MACtac) in Stow, Ohio. In both cases, Burt Morgan used the financial backing of others and added his know-how – his knowledge of adhesives and his self-taught skills as an entrepreneur – to make successful businesses.

In the latter decades of his life, Mr. Morgan was on the giving end, reaching out to younger entrepreneurs and helping to bring new technologies to the marketplace. He started a bank to help make funds available for young entrepreneurs. The door to his office was always open. It was not unusual for him to answer his own phone.

The Foundation he established in 1967 carries on his work of connecting entrepreneurs to services and educational opportunities.



Dear Foundation Friends,

The year 2008 was marked by notable milestones: a significant increase in youth entrepreneurship grants; a \$3 million challenge grant to JumpStart; expanded communications on youth and collegiate entrepreneurship education; frequent convening of entrepreneurship leadership; a redesigned, content-rich website; and membership in the national Youth Entrepreneurship Strategy Group. The five Morgan-Kauffman Northeast Ohio Collegiate Entrepreneurship Program campuses made major strides infusing entrepreneurship into their liberal arts programs. In recognition of our endeavors, the Foundation was honored as the 2008 recipient of the Foundation Leadership Award by the local chapter of the Association of Fundraising Professionals.

Through our efforts, we believe the Foundation has contributed to more vibrant discourse on entrepreneurship and a stronger network of entrepreneurship organizations across the region. Our founder, Burt Morgan, would have been pleased to hear Brad Whitehead, president of the Fund for Our Economic Future, comment at a recent forum on entrepreneurship, "With its deep and growing leadership commitment, there is little civic activity related to entrepreneurship in Northeast Ohio that is not ultimately influenced by The Burton D. Morgan Foundation."

During the waning months of the year, turmoil swept the financial world affecting the asset levels of all foundations. While this downturn is having an impact on our grantmaking, our dedicated staff and Trustees expect to sustain the momentum achieved in 2008 and to work strategically to advance the Foundation's mission in the field of entrepreneurship. It has never been more critical to equip young people and adults with the tools they need to be adaptable, resourceful, and entrepreneurial.

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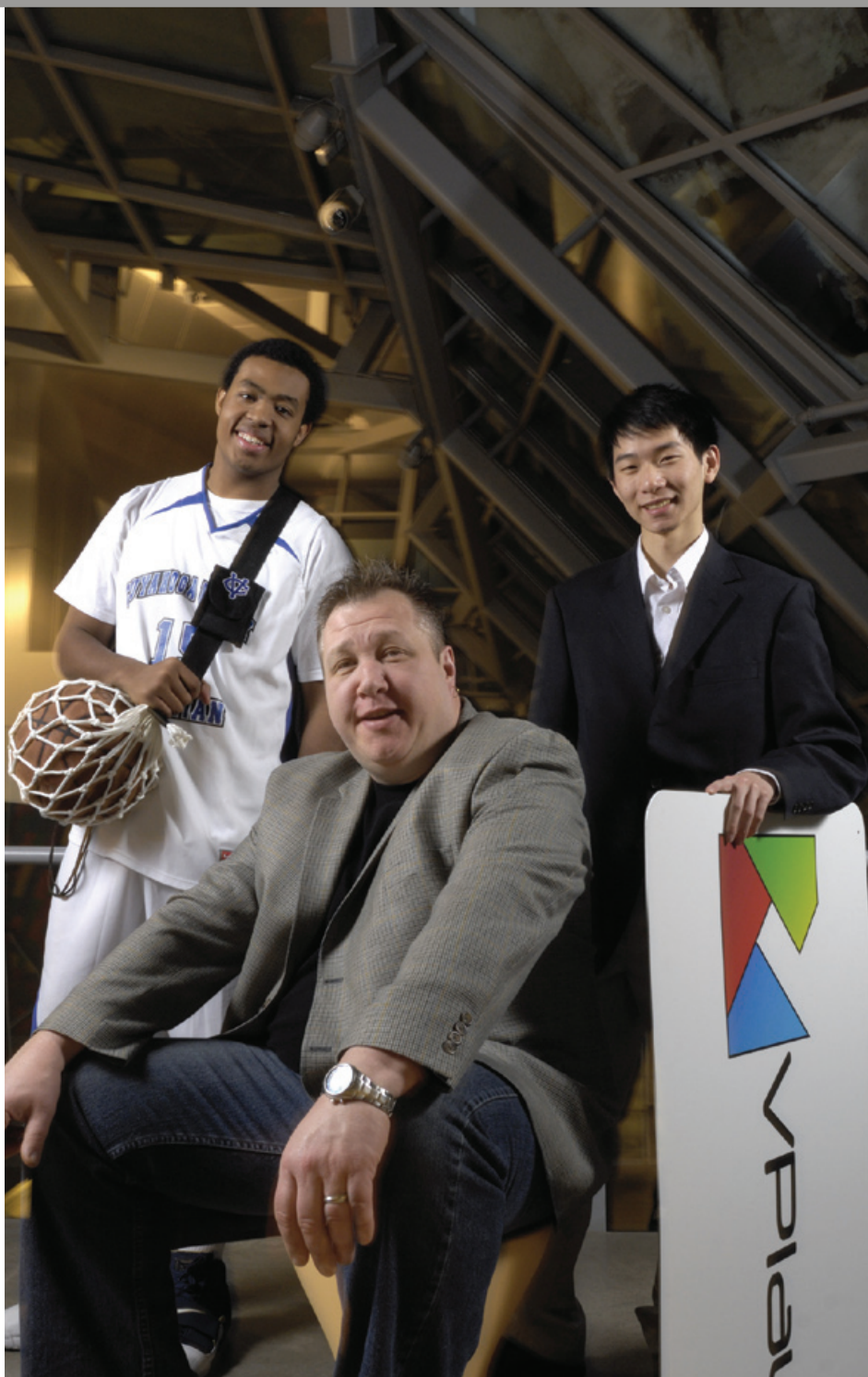
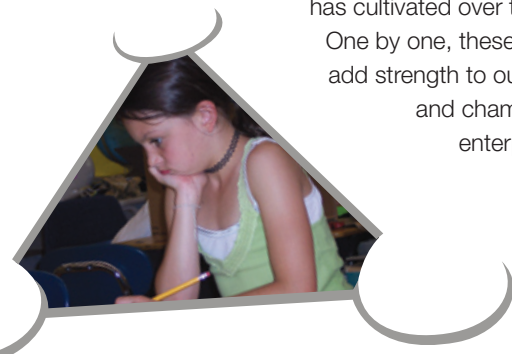
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Just as the facets of a geodesic dome strengthen its architecture, the connections among grantees of The Burton D. Morgan Foundation fortify an expanding network that is transforming the landscape of youth, collegiate, and adult entrepreneurship in our region.

In 2008, many such connections were formed and harnessed. For its documentary, *Who's Your Boss?*, Western Reserve Public Media featured the accomplishments of several young entrepreneurs (photo right). Among them were students discovered at two Foundation-supported programs: E CITY and University School. Two other Foundation grantees, Junior Achievement and the National Inventors Hall of Fame, are collaborating to add entrepreneurial elements to Camp Invention. Local companies with few resources to analyze promising business ideas are turning to college interns from Entrepreneurs EDGE, supported by the Foundation. For its standing-room-only workshop series for aspiring entrepreneurs, the Hudson Library & Historical Society enlisted retired executives from Akron SCORE, another Foundation grantee, to provide mentoring. And through a substantial, multi-year grant from the Foundation, JumpStart not only connects emerging entrepreneurs in Northeast Ohio with critical capital and expertise, it also reaches out to entrepreneurship students at Foundation-supported liberal arts campuses across the region.

These are but a few of the many formal and informal connections that the Foundation has cultivated over the past year.

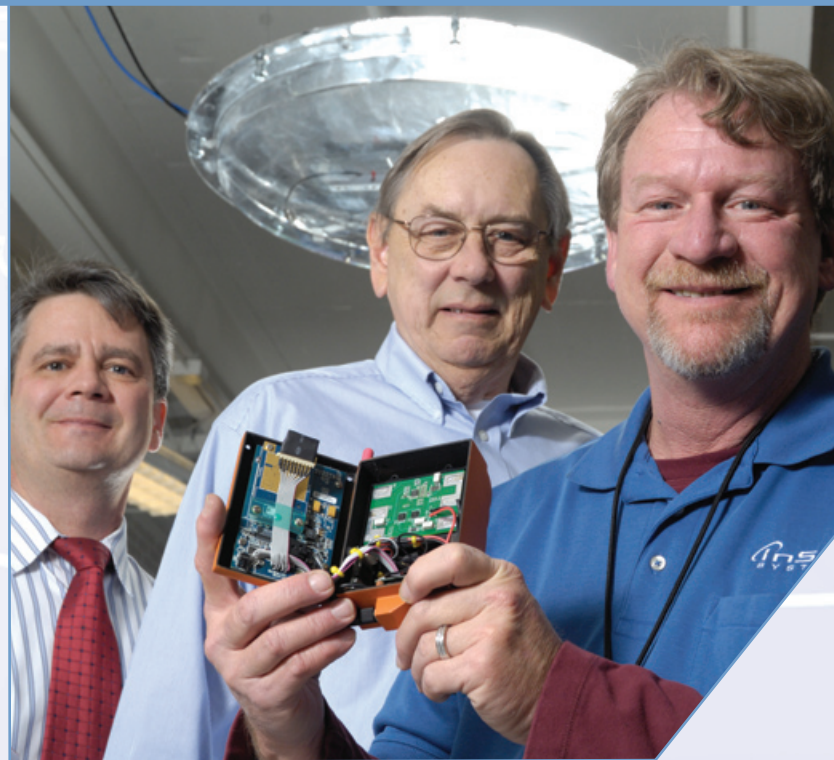
One by one, these connections add strength to our community and champion the free enterprise system.



Creating Jobs, Saving Lives

When a West Virginia mine collapsed in 2006, rescuers said there was no way to locate the trapped miners. Navy veteran Russell Breeding knew the technology did exist. It is used to keep track of submarines. The mine accident provided the impetus to team up with cousin and Ohio businessman Jay Breeding and fellow Navy veteran Mike Millam. Together, they formed InSeT Systems and began to adapt the technology.

InSeT located in Akron after JumpStart awarded it \$400,000 in start-up money. The safety system, which requires miners to wear a small tracking unit and is linked to an external computer by radio waves, has been tested successfully in six mines. It was named by *Popular Science* magazine as one of the ten best inventions of 2008. InSeT is one of 38 companies supported by JumpStart. In 2008, The Burton D. Morgan Foundation pledged up to \$3 million to help JumpStart continue to support promising young companies in Northeast Ohio.



Courtesy of Great Lakes Science Center



Generating Clean Energy

Wind is one of the fastest growing sources of energy worldwide, and The Burton D. Morgan Foundation is working to help capitalize on that opportunity and to create jobs. In 2008, the Foundation provided \$75,000 to support the Great Lakes Wind Network, which seeks to increase wind turbine manufacturing in Ohio.

The Foundation also renewed its support for an advanced energy entrepreneur-in-residence (EIR) for TechLift, now part of JumpStart.

The goal of the EIR is to make Northeast Ohio the best place to start and grow an alternative energy business.



From Garden to Market

Northern Ohio Live had a special category when the magazine named its 2008 “Best” awards. The “Best Feel-Good Salsa” went to the Cleveland Botanical Garden’s Green Corps, a group of 55 students who spend summers learning the horticultural business from the ground up. They planted tomatoes and peppers in four community gardens. They watered and weeded, chopped those vegetables into salsa, and sold their *Ripe from Downtown®* products in specialty stores and farmers’ markets.

The program uses a curriculum from the National Foundation for Teaching Entrepreneurship (NFTE), which aims to provide a path to prosperity for young people from low-income communities. A grant from The Burton D. Morgan Foundation sent teachers from the Botanical Garden to specialized NFTE training.



A Week That Counts

Each summer, the Ohio Business Week Foundation conducts two weeklong camps where high school students plan businesses. They develop a product or service, devise financial and marketing plans, and even design a web page. Support from The Burton D. Morgan Foundation helps Northeast Ohio students afford the program.

The experience changes lives. During a luncheon last summer at Youngstown State University, one enthusiastic student said he always knew the business world would be full of sharks.

"I figured I would be the bait," he said. But instead, the week taught him that the business world is all about connections and relationships people make . . . over and over. "I've always heard people say that one day can change everything in your life. I've had a whole week."



Photo by Jamie De Pould / Ohio Business Week



Photo by Ed Suba Jr. / Akron Beacon Journal

Children Experience the Roots of Entrepreneurship

The potter's hands will again be in the clay. A fire in the blacksmith shop will again burn. A grant to the Western Reserve Historical Society in 2008 enabled Hale Farm & Village to restore its pottery and forge barn operations to demonstrate early entrepreneurial pursuits.

The grant also provided funding for the development of a curriculum to teach elementary schoolchildren about the roots of entrepreneurship in Northeast Ohio. More than 25,000 schoolchildren each year visit this Bath Township site to learn about mid-nineteenth-century farm and village life.

Students "SEE" the Future

Julian Earls, former director of NASA's Glenn Research Center in Cleveland, was one of the speakers at the Scholarship of Entrepreneurial Engagement (SEE) program at Hudson High School last fall. Several hundred students from schools across

Northeast Ohio participated in the daylong science and technology idea forum. The program was sponsored by Ashland University through a grant from The Burton D. Morgan Foundation.





A New Learning Community at Hiram College

The Burton D. Morgan Entrepreneurship Center at Hiram College is part of a new learning community for students who hope someday to start their own businesses. Students interested in entrepreneurship are given first preference to reside in the building, which also houses classrooms for entrepreneurial studies and a suite for visiting entrepreneurs-in-residence. Foundation President Deborah Hoover joined Hiram President Tom Chema and other college officials at the dedication last October. The new complex is part of the college's effort to bring an entrepreneurial mindset to Hiram.

Immersion in Entrepreneurship

Students from seven Northeast Ohio colleges—public and private schools that constitute the Entrepreneurship Education Consortium—gathered at John Carroll University last summer for an intense week of business development. During the five-day program – some call it entrepreneurship “Boot Camp” – the students spent hours, day and night, learning and developing business plans for an end-of-week competition.

The Burton D. Morgan Foundation is a primary sponsor of Entrepreneurship Immersion Week for undergraduates, which offers promising young students from all disciplines an introduction to entrepreneurship and provides the winners with some start-up capital.



Entrepreneurial Teens Awarded Scholarships

Over the last several years, The Burton D. Morgan Foundation has supported several entrepreneurship programs for high school students. In 2008, the Foundation supported graduates of these programs by funding scholarships for students who had participated in one of the programs, who retained an interest in entrepreneurship, and who planned to attend a college where the Foundation has supported entrepreneurship.

The effort was administered by Cleveland Scholarship Programs, which awarded scholarships to four graduating seniors in 2008. Two had participated in Cleveland's E CITY program, and two had participated in Junior Achievement.

Leaders Emerge at Kenyon

Each fall, 30 new students entering Kenyon College are designated as Emerging Leaders. The goal is to encourage students to think as entrepreneurs and use their liberal arts education as a launch pad for innovative projects. The Emerging Leaders effort begins with a retreat and ends closer to graduation, when students can compete for business development grants.

Support for the program is provided by The Burton D. Morgan Foundation. Kenyon is one of the more recent schools to join the network of liberal arts colleges in Northeast Ohio that are embracing entrepreneurship with the help of the Foundation.





Skritter: Oberlin's Better Mousetrap

When Oberlin College was crafting a strategy in 2006 to bring an entrepreneurial mindset to the liberal arts campus, one proposal was a "fifth year" of college to allow selected students to experiment and learn about putting together a business. Post-graduate students Nick Winter, George Saines, and Scott Erickson were awarded a \$30,000 grant to launch their business.

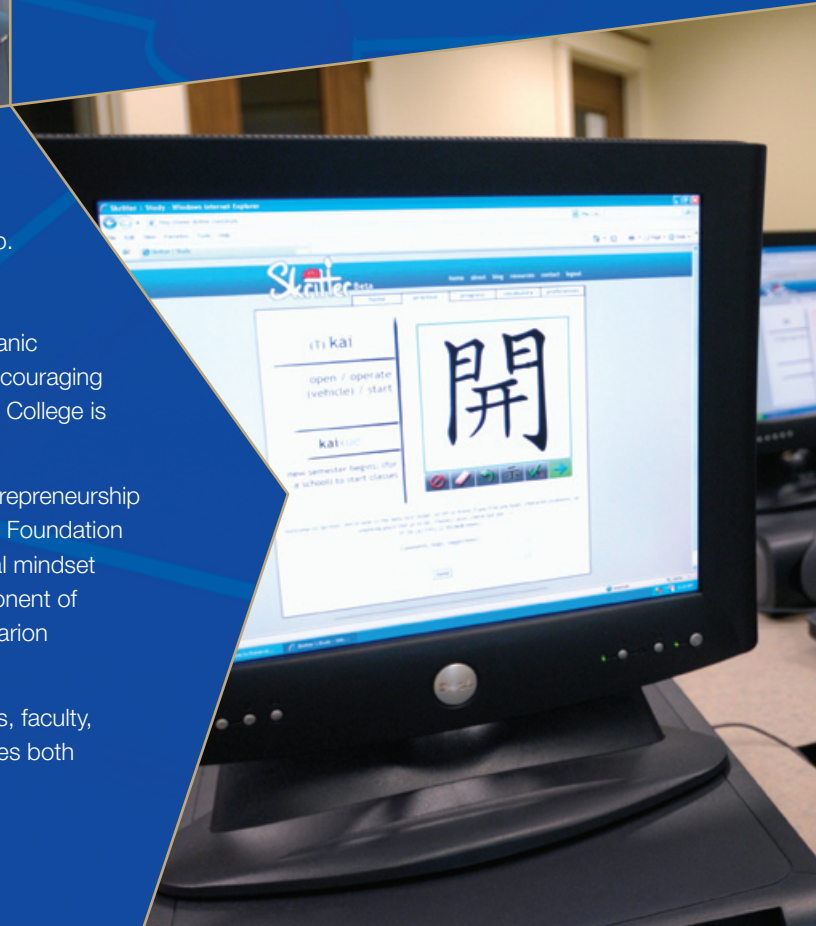
"Skritter," a web program to speed up the learning of Mandarin Chinese characters, was tested at Western Reserve Academy last fall. The feedback from those who had been studying the language was invaluable. The Oberlin grads are getting ready to license the program to individuals and schools for a monthly fee.

Entrepreneurship and Liberal Arts

Lake Erie College has launched a major in Equestrian Entrepreneurship. Hiram College now has an entrepreneurship center and a minor in entrepreneurship. Students at The College of Wooster are helping to commercialize a material that could someday be used to clean up organic spills. An innovation idea competition at Baldwin-Wallace College is encouraging students to develop ideas that lead to wealth and job creation. Oberlin College is helping its post-graduate students launch businesses.

The efforts are all part of NEOCEP – the Northeast Ohio Collegiate Entrepreneurship Program – a \$6.6 million, five-year joint effort of The Burton D. Morgan Foundation and the Ewing Marion Kauffman Foundation to bring an entrepreneurial mindset to the campuses of five Ohio liberal arts colleges. NEOCEP is a component of the Kauffman CampusesSM Initiative, launched in 2003 by the Ewing Marion Kauffman Foundation.

"All five schools made substantial headway in 2008, engaging students, faculty, and administration in spreading entrepreneurship across their campuses both in and outside the classroom," Burton D. Morgan Foundation President Deborah Hoover said.



Students and Seniors Form Philanthropy Board

If you were in middle school and given \$10,000 to distribute to charity, how would you do it wisely? Students at Seton Catholic School spent a year studying just that question.

In the end, they got help from residents of the Laurel Lake Retirement Community, some of whom had worked in philanthropy. Together, the students and seniors managed to stretch that money 8,000 miles – all the way from buying shoes and boots for needy children in Hudson schools to educating a young AIDS orphan in Africa. The youth philanthropy project was proposed by officials from Laurel Lake and made possible by a grant from The Burton D. Morgan Foundation.



Helping the Hudson Community

Burton D. Morgan lived in Hudson for more than four decades. He took great pride in helping to support the community he came to call home.

The Foundation he started continues in that tradition. In 2008, the Foundation provided funding to nearly a dozen Hudson non-profit organizations. It helped pay for extra training for workers at Hattie's Café. It provided funding for leadership recognition and a maintenance endowment for Western Reserve Academy. It helped secure the purchase of a building at the Hudson Montessori School and supported Hudson Job Search.

The Foundation also provided a grant to Actors' Summit, Hudson's professional theater company. The grant helped allow the theater to bring back a summer favorite, *Porch Stories*, a tour of Hudson's grand old porches with stories of the town's history told by professional actors.

grant summary

Youth Entrepreneurship

Akron Council on World Affairs Inc. Global trade and economics programs for students and adults.....	\$5,000
Ashland University Scholarship of Entrepreneurial Engagement.....	\$60,000
Boys & Girls Clubs of Cleveland <i>Money Matters</i> financial literacy program.....	\$30,000
Boys & Girls Clubs of Summit County <i>Money Matters</i> financial literacy program.....	\$5,000
Boys Hope Girls Hope Staff attendance at the Consortium for Entrepreneurship Education's annual conference.....	\$1,393
Cleveland Botanical Garden Certification of staff members as entrepreneurship teachers.....	\$13,500
Consortium for Entrepreneurship Education Annual conference planning and attendance by Northeast Ohio teachers.....	\$10,000
Consortium for Entrepreneurship Education Annual membership.....	\$500
E CITY Two summer BizCamps.....	\$32,500
Emmanuel Christian Academy Staff attendance at the Consortium for Entrepreneurship Education's annual conference.....	\$1,594
Emmanuel Christian Academy A new financial literacy program.....	\$2,950
Foundation for Teaching Economics Economics education programs for high school students and teachers.....	\$20,000
Friends of E Prep Schools Entrepreneurship Preparatory School operations.....	\$75,000
Girl Scouts of North East Ohio Development of a financial literacy program.....	\$45,000
Great Trail Council Boy Scouts of America Entrepreneurship merit badge programs.....	\$30,000
Heart of Ohio Council Boy Scouts of America Entrepreneurship merit badge programs.....	\$43,166
Hudson City School District Teacher attendance at the Consortium for Entrepreneurship Education's annual conference and a Junior Achievement program.....	\$18,500
Hudson Montessori School Middle school micro-economy project.....	\$7,900
Junior Achievement of North Central Ohio, Inc. K-12 entrepreneurship and financial literacy programs.....	\$60,000
Junior Achievement of East Central Ohio, Inc. High school economics programs.....	\$20,000
Junior Achievement of Greater Cleveland, Inc. Elementary and middle school financial literacy, entrepreneurship, and career readiness programs.....	\$31,500
Junior Achievement of Greater Cleveland, Inc. High school business education programs.....	\$14,000

Junior Achievement of Mahoning Valley, Inc. Fifth grade economics and financial literacy programs.....	\$23,500
Lake Ridge Academy Entrepreneurship programs and general operations.....	\$225,000
MKG Corporation dba Peaceful Children Montessori School Middle school micro-economy program.....	\$4,000
The National Foundation for Teaching Entrepreneurship to Handicapped and Disadvantaged Youths, Inc. The Youth Entrepreneurship Strategy Group and other programs.....	\$75,000
National Inventors Hall of Fame Foundation, Inc. Camp Invention and Club Invention programs.....	\$32,000
Northeastern Educational Television of Ohio, Inc. <i>Nightly Business Report</i> and <i>Who's Your Boss?</i>	\$48,300
Project GRAD Akron Staff attendance at the Consortium for Entrepreneurship Education's annual conference.....	\$1,810
University School Entrepreneurship programs.....	\$53,000
Western Reserve Historical Society Development of a program on pre-industrial entrepreneurship.....	\$45,600
Wooster City Schools New entrepreneurship education programs.....	\$30,000
Total for Youth Entrepreneurship Grants	\$1,065,713

Collegiate Entrepreneurship

Ashland University EconomicsAmerica financial literacy and economics workshops for teachers.....	\$25,000
Ashland University Entrepreneurship programs.....	\$70,500
Baldwin-Wallace College Northeast Ohio Collegiate Entrepreneurship Program initiatives.....	\$160,000
Cleveland Scholarship Programs, Inc. Scholarships for college students pursuing entrepreneurship studies.....	\$5,000
The College of Wooster Northeast Ohio Collegiate Entrepreneurship Program initiatives.....	\$73,156
Denison University Entrepreneurship programs.....	\$83,333
Entrepreneurship Education Consortium Entrepreneurship Immersion Week.....	\$45,000
Hiram College Northeast Ohio Collegiate Entrepreneurship Program initiatives.....	\$80,000
Hiram College Construction of The Burton D. Morgan Entrepreneurship Center.....	\$100,000

John Carroll University LaunchTown Entrepreneurship Competition.....	\$5,000
Kent State University Foundation The Burton D. Morgan Foundation Technology Endowment.....	\$4,000
Kenyon College Entrepreneurship programs.....	\$67,476
Lake Erie College Northeast Ohio Collegiate Entrepreneurship Program initiatives.....	\$72,574
Lake Erie College Design services for a proposed entrepreneurship center.....	\$19,500
Northeast Ohio Council on Higher Education Entrepreneurial internship program.....	\$75,000
Oberlin College Northeast Ohio Collegiate Entrepreneurship Program initiatives.....	\$114,316
Purdue University Interns for Entrepreneurship program and the Life Sciences Business Plan Competition.....	\$150,000
Walsh University Entrepreneurship program.....	\$24,609
Total for Collegiate Entrepreneurship Grants	\$1,174,464

Adult Entrepreneurship

Akron Community Foundation Fund for Our Economic Future.....	\$50,000
Business Advisers of Cleveland Program equipment.....	\$4,900
Community Partnership for Arts and Culture Artist as an Entrepreneur Institute.....	\$5,000
Cuyahoga Valley Countryside Conservancy Planning for a demonstration and training center.....	\$50,000
Entrepreneurs EDGE CEOs for NEO program.....	\$100,000
Entrepreneurs for Sustainability E4S Network programs.....	\$20,000
ideastream <i>Nightly Business Report</i> and <i>BizKid\$</i>	\$57,600
Red Dot Project Market expansion initiative for artists.....	\$10,000
Westside Industrial Retention & Expansion Network Great Lakes Wind Network.....	\$50,000
Total for Adult Entrepreneurship Grants	\$347,500*

* Total does not reflect a \$3 million, multi-year, challenge grant to JumpStart Inc. that was awarded but not paid in 2008.

Hudson Community

Actors' Summit	
General operations.....	\$20,000
Akron Community Foundation	
The Burton D. Morgan Foundation	
Scholarship Fund.....	\$3,000
First Congregational Church of Hudson	
Annual fund drive.....	\$30,000
Hattie Larlham Foundation	
Training for workers with disabilities.....	\$7,000
Hudson Advocates for Gifted and Talented	
Hudson City Schools staff training to	
work with gifted children.....	\$3,500
Hudson Community First	
Career panels and Intern for a Day program.....	\$14,000
Hudson Community Foundation	
2008 Hudson fireworks.....	\$5,000
Hudson Rotary Foundation	
Scholarships.....	\$1,000
HudsonJS Inc.	
General operations.....	\$15,000
Laurel Lake Retirement Community Inc.	
Youth philanthropy program.....	\$19,000
Musical Arts Association	
General operations of the Hudson Blossom	
Women's Committee.....	\$300
Western Reserve Academy	
Burton D. Morgan Leadership Program.....	\$58,000
Western Reserve Academy	
The Flanagan Fund.....	\$25,000
Total for Hudson Community Grants	\$200,800

Subtotal for Entrepreneurship-Related Grants (Youth, Collegiate, and Adult).....	\$2,587,677
Subtotal for Hudson and Other Grants.....	494,710
Subtotal for Discretionary Grants.....	949,500
Grand Total.....	\$4,031,887

Note: Listed grants reflect only grants paid and exclude grants awarded but not paid in 2008.
For a more detailed list of grants and guidelines, please visit the Foundation's website, at www.bdmorganfdn.org.

Statement of Position

Year Ending December 31, 2008

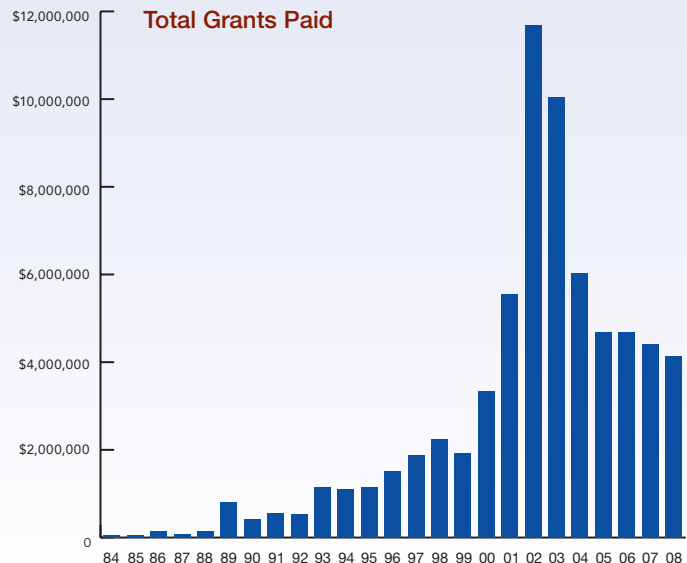
Assets	
Cash or Equivalents	\$14,601,300
Investments at Market	
Equities	48,318,500
Mutual Funds	16,631,800
Exchange Traded Funds	9,932,600
Private Equities	9,822,800
Real Estate	3,487,700
Equipment	333,500
Total Assets	\$103,128,200
Liabilities and Net Assets	
Unrestricted Net Assets	\$103,128,200
Total Liabilities and Net Assets	\$103,128,200

Financial Notes: The Foundation is incorporated in Ohio as a private foundation as defined under the 1969 Tax Reform Act and is subject to a Federal Excise Tax on net investment income, including realized gains. Under provisions of the act as amended in 1981, the Foundation is required to make distributions generally equal to 5% of the Foundation's net investment assets. These statements are presented principally on the basis of cash receipts and disbursements. The figures have been rounded to the nearest hundred.

Statement of Activities

Year Ending December 31, 2008

Income	
Contributions	\$1,500,000
Dividends and interest income	2,135,100
Total income	\$3,635,100
Expenses	
Program	
Grants Paid	\$4,031,900
Direct Charitable Activities	20,500
Program Support	848,900
Investment	
Investment Management Fees	534,800
Bank Custodial Fees	42,200
Excise Tax	28,000
Other	
Management and General	174,200
Communications	51,400
Events	44,300
Insurance Premiums	26,300
Consulting	25,900
Professional Services	21,100
Miscellaneous Expenses	14,000
Depreciation	185,100
Total Expenses	\$6,048,600
Expenses in Excess of Revenue	2,413,500
Realized Losses	10,169,600
Unrealized Losses	45,257,600
Decrease in Net Assets	\$57,840,700



trustees, officers & staff



Keith A. Brown



Richard A. Chenoweth



J. Martin Erbaugh



John V. Frank



Stanley C. Gault



Deborah D. Hoover



Mark D. Robeson



Richard N. Seaman

Trustees

Keith A. Brown

Richard A. Chenoweth

J. Martin Erbaugh

John V. Frank

Stanley C. Gault

Mark D. Robeson

Richard N. Seaman

Officers of the Corporation

President

Deborah D. Hoover

Vice President

J. Martin Erbaugh

Secretary-Treasurer

Richard N. Seaman

Assistant Secretary-Treasurer

Denise M. Griggs



Staff

From left to right:

Office Manager - Paula J. McCulloch

Special Projects Coordinator - Charlene Nevada

Senior Program Officer - Jean Van Ness

Administrative Assistant - Eileen M. Borsz

Grants Manager - Marie-Ellen Erb

Senior Program Officer - Leslie G. Nelson

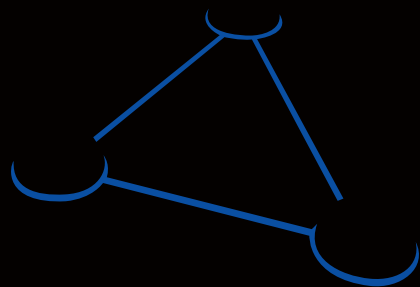
Chief Financial Officer - Denise M. Griggs

Program Officer - Alison J. Burner

Executive Assistant - Diane V. Rafferty

The
Burton D. Morgan
Foundation

Committed to the Free Enterprise System



connections